

AMENDED IN ASSEMBLY MARCH 27, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2472

Introduced by Committee on Public Employees, Retirement and Social Security (Bonta (Chair), Rendon, Ridley-Thomas, and Wieckowski)

February 21, 2014

An act to amend Sections 20533, 21453, 21499, ~~22775~~, and 75552 of, to add Section 75580.5 to, and to repeal Sections 20237 and 22849 of, the Government Code, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 2472, as amended, Committee on Public Employees, Retirement and Social Security. Public employees: retirement and health benefits.

(1) The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System (PERS), which provides a defined benefit to its members based on age at retirement, service credit, and final compensation. Existing law vests the management and control of the PERS in the Board of Administration of the PERS. Existing law requires the board, in addition to any other reports it is required to make, to annually file a separate report with the Governor and the Legislature on all matters under its jurisdiction.

This bill would repeal that requirement and make other conforming changes.

(2) Existing law provides that if a correction of the amount of compensation received by a member that is reported to the system requires additional employer contributions to be paid to the system, the contributions shall be computed using the employer rate in effect at the time of the adjustment.

This bill would instead provide that the employer contribution shall be computed using the employer contribution rate in effect at the time that the compensation requiring adjustment was earned.

(3) Existing law requires that an election, revocation, or change of retirement benefits be made prior to the making of the first payment on account of any retirement allowance, or any retirement allowance following a change in retirement status.

This bill would allow an election, revocation, or change of election to be made within 30 calendar days after the making of the first payment.

~~(4) Existing law requires the Board of Administration of the Public Employees' Retirement System to administer the Public Employees' Medical and Hospital Care Act and authorizes the board to contract for health benefit plans for employees and annuitants. Existing law defines a family member, for purposes of the act as an employee's or annuitant's spouse or domestic partner and any child, including an adopted child, a stepchild, or recognized natural child.~~

~~This bill would include a foster child in the definition of family member.~~

~~(5)~~

(4) Existing law requires the board to conduct a study to examine the feasibility and cost-effectiveness of creating a single statewide health care pool that would cover all public school employees.

This bill would repeal that requirement.

~~(6)~~

(5) Existing law establishes the Judges' Retirement System II which provides retirement benefits to elected judges. Existing law provides that if a retired judge becomes entitled to any salary for assignment to a court by the Chairperson of the Judicial Council after retirement for disability, the retirement allowance otherwise payable pursuant to the Judges' Retirement System II Law shall, during the time he or she is entitled to receive that salary or other compensation, be reduced by the amount of that salary or compensation.

This bill would ~~specify, require~~, except as provided, ~~that if a person who is retired for service or disability under the system is appointed or elected to serve as a judge, he or she shall~~ *to reinstate from retirement and again become a member of the system if he or she is appointed or elected to serve as a judge.*

~~(7)~~

(6) The bill would make other conforming, and technical, nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 20237 of the Government Code is
2 repealed.

3 SEC. 2. Section 20533 of the Government Code is amended
4 to read:

5 20533. The employer contribution rate adopted under this part,
6 or because of amendments to the contract or to this part, apply to
7 all compensation upon the basis of which member's contributions
8 are deducted after those employer contribution rates became or
9 become effective.

10 If correction of the amount of compensation reported is required,
11 the employer contributions shall be computed using the employer
12 contribution rate in effect at the time that the compensation
13 requiring adjustment was earned.

14 SEC. 3. Section 21453 of the Government Code is amended
15 to read:

16 21453. An election, revocation, or change of election shall be
17 made within 30 calendar days after the making of the first payment
18 on account of any retirement allowance or, in the event of a change
19 of retirement status after retirement, within 30 calendar days after
20 the making of the first payment on account of any retirement
21 allowance following the change in retirement status. "Change in
22 retirement status" includes, but is not limited to, change from
23 service to disability retirement, from disability retirement to service
24 retirement, from nonindustrial disability retirement to industrial
25 disability retirement, or from industrial to nonindustrial disability
26 retirement.

27 For purposes of this section, payment shall be deemed to have
28 been made on the date a warrant is mailed, or the date funds are
29 electronically transferred to a bank, savings and loan association,
30 or credit union account for deposit in the member's account.

31 This section shall not be construed to authorize a member to
32 change his or her retirement status after the election, revocation,
33 or change of election provided in this section.

34 SEC. 4. Section 21499 of the Government Code is amended
35 to read:

1 21499. (a) Notwithstanding Section 21498, when either an
2 initial payment of a preretirement or postretirement death allowance
3 or a preretirement or postretirement lump-sum benefit is payable
4 in an amount of ten dollars (\$10) or more, it shall be authorized
5 to the Controller within 45 days of receipt by this system of all the
6 necessary information, including the return of warrants issued or
7 any overpayment outstanding after the date of the death of the
8 annuitant.

9 (b) If any payment is not made within that time limitation, the
10 payment shall also include interest at the greater of the interest
11 crediting rate specified in Section 20178 or the net earnings rate
12 (including capital gains and losses) in effect at the time the payment
13 is made, for time following the expiration of that time limitation.

14 ~~SEC. 5. Section 22775 of the Government Code is amended~~
15 ~~to read:~~

16 ~~22775. "Family member" means an employee's or annuitant's~~
17 ~~spouse or domestic partner and any child, including an adopted~~
18 ~~child, a stepchild, an eligible foster child as defined in Section~~
19 ~~152(f)(1)(c) of Title 26 of the United States Code, or recognized~~
20 ~~natural child. The board shall, by regulation, prescribe age limits~~
21 ~~and other conditions and limitations pertaining to children.~~

22 ~~SEC. 6.~~

23 ~~SEC. 5.~~ Section 22849 of the Government Code is repealed.

24 ~~SEC. 7.~~

25 ~~SEC. 6.~~ Section 75552 of the Government Code is amended
26 to read:

27 75552. (a) After payment of a portion of the member's
28 contributions to a nonmember pursuant to subdivision (b) of
29 Section 75551, the member may redeposit the full amount in the
30 fund at any time before he or she retires or otherwise leaves judicial
31 office. The redeposit shall include interest at the rate of interest
32 then being required to be paid by members of the Public
33 Employees' Retirement System under Section 20750 from the date
34 of payment to the date of redeposit. A partial redeposit shall not
35 be accepted.

36 (b) After payment of a portion of the member's monetary credits
37 to a nonmember pursuant to subdivision (c) of Section 75551, the
38 member may redeposit the full amount in the fund at any time
39 before he or she retires or otherwise leaves judicial office. The
40 redeposit shall include interest at the greater of: (1) the rate of

1 interest then being required to be paid by members of the Public
2 Employees' Retirement System under Section 20750 from the date
3 of payment to the date of redeposit; or (2) the compounded amounts
4 that would have been credited to the member's monetary account
5 pursuant to subdivision (b) of Section 75520 had the payment not
6 been made to the nonmember. A partial redeposit shall not be
7 accepted.

8 ~~SEC. 8.~~

9 *SEC. 7.* Section 75580.5 is added to the Government Code,
10 to read:

11 75580.5. (a) Except as provided in subdivision (b), if a person
12 who is retired for service or disability under this system is
13 appointed or elected to serve as a judge, he or she shall reinstate
14 from retirement and again become a member of the system pursuant
15 to this chapter.

16 (b) This section shall not apply to a retired judge who is assigned
17 to serve in a court pursuant to Section 68543.5, and he or she shall
18 not earn service credit or be entitled to retirement benefits under
19 this part for that service.